MORTGAGES (INTRA-GROUP SWITCHING) INSTRUMENT 2020

Powers exercised

A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the "Act"):

　　(1)　　section 137A (General rule-making power); and
　　(2)　　section 137T (General supplementary powers).

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on 23 October 2020.

Amendments to the Handbook

D. The Mortgages and Home Finance: Conduct of Business sourcebook (MCOB) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as the Mortgages (Intra-Group Switching) Instrument 2020.

By order of the Board
22 October 2020

Annex

Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)

In this Annex, underlining indicates new text and striking through indicates deleted text.

11   Responsible lending, and responsible financing of home purchase plans

…

11.6   Responsible lending and financing

…

11.6.3   R   (1)   *MCOB* 11.6.2R does not apply to:

(a)   entering into a new *regulated mortgage contract* or *home purchase plan* as a replacement for an existing *regulated mortgage contract* or *home purchase plan* between the *customer* and the *firm* (either as the original *mortgage lender* or *home purchase provider* or as the transferee of the existing contract), whether or not the new contract relates to the same property; ~~or~~

(aa)   entering into a new *regulated mortgage contract* as a replacement for an existing *regulated mortgage contract*, whether or not the new contract relates to the same property, where the original *mortgage lender* (or, where the existing contract has been transferred, the transferee):

(i)   is not entering into *regulated mortgage contracts* with new *customers*; and

(ii)   is in the same *group* as the *mortgage lender* under the new contract; or

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